



LOUISIANA INSURANCE
RATING COMMISSION

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

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Commissioner of Insurance

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RE: Clarification of LIRC Directives Set Forth in Bulletin LIRC 93-05

R.S. 22:635.2 (1993 Senate Bill NO. 9, Act 205)

This Statute stipulates that no insurer shall increase the premium charged for automobile liability insurance in Louisiana solely on the basis that the insured has attained the age of sixty-five (65) or older. This means that rate plans should remain flat for age-based class relativities sixty-four (64) and older.

R.S. 22:652.2 (1993 Senate Bill NO. 885, Act 552)

This Statute stipulates, among other provisions, that no insurer shall refuse to issue or renew, increase the premium, or cancel an automobile insurance policy in Louisiana solely because the insured is deaf or hard of hearing, provided such person is mentally and physically capable of driving an automobile and possesses a valid Louisiana's operator's license. This means that no agent, underwriter, other company representative, or rating plan shall unfairly discriminate against the deaf or hard of hearing. Therefore, this Statute must be reflected in your company rules.

R.S. 22:1404(3)(e) (1992 Senate Bill NO. 955, Act 654)

This Statute stipulates that a carrier who issues comprehensive insurance coverage on a motor vehicle in Louisiana shall grant an actuarially justified discount when the vehicle identification number is etched in all of the windows of the motor vehicle. This means that the company must either offer a window-etching discount applied to the comprehensive premium or offer a discount equivalent in the form of a waiver of deductible in the event of a comprehensive theft loss. If the window-etching discount is the method chosen to address the Statute, manual rates/rules must be filed with the LIRC reflecting the discount. If the waiver of the deductible is the method chosen to address the Statute, manual rules must be filed with the LIRC reflecting the stated waiver. In either case, all comprehensive policyholders must be afforded the discount or the waiver. Note that if full comprehensive coverage is an option (i.e., no-deductible comprehensive), waiver of the comprehensive deductible as the discount equivalent does not satisfactorily address the Statute because it would not afford a discount to all comprehensive policyholders.

R.S. 22:1472 (1993 House Bill NO. 199, Act 41)

This Statute stipulates that no insurer shall charge a higher premium rate, increase, or add a surcharge, cancel, or fail to renew an automobile insurance policy in Louisiana based solely upon the insured's activities as a volunteer fireman. This means that accidents or violations charged to a person while in the course of volunteer fire duty cannot reflect on that person's insurance driving record. Therefore, this Statute must be reflected in your company rules.

With regard to the aforementioned Statute(s), the LIRC set forth the directive that your company specifically address each Statute individually in your rate/rule manual. If a Statute has been addressed in your company's rate/rule manual, the LIRC wants a copy of the approved rate/rule and a copy of the LIRC's approval letter. If a Statute has not been addressed in your company's rate/rule manual, the directive is to file with the LIRC rates/rules to bring your company in compliance with that Statute.

If enactment of company rates/rules to address a Statute cannot be effected within sixty (60) days of the directive (Bulletin LIRC 93-05, September 20, 1993), then you must notify the LIRC of:

1. your intent to comply with the Statute within the sixty (60) days,
2. how you intend to comply with the Statute, and
3. the effective dates on which compliance will take place for new and renewal business.

Please note that the sixty (60) day effective period of the directive began with Bulletin LIRC 93-05's publication date of September 20, 1993, and is not extended by the date of this letter or any other communication.

Should there be any further questions, please contact Rich Piazza at (504) 342-4690.